



Gemtek

A Leader in Wireless Broadband Access

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Executive of Director
Gemtek Technology Co., Ltd.
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Gemtek
Wireless Broadband Anywhere

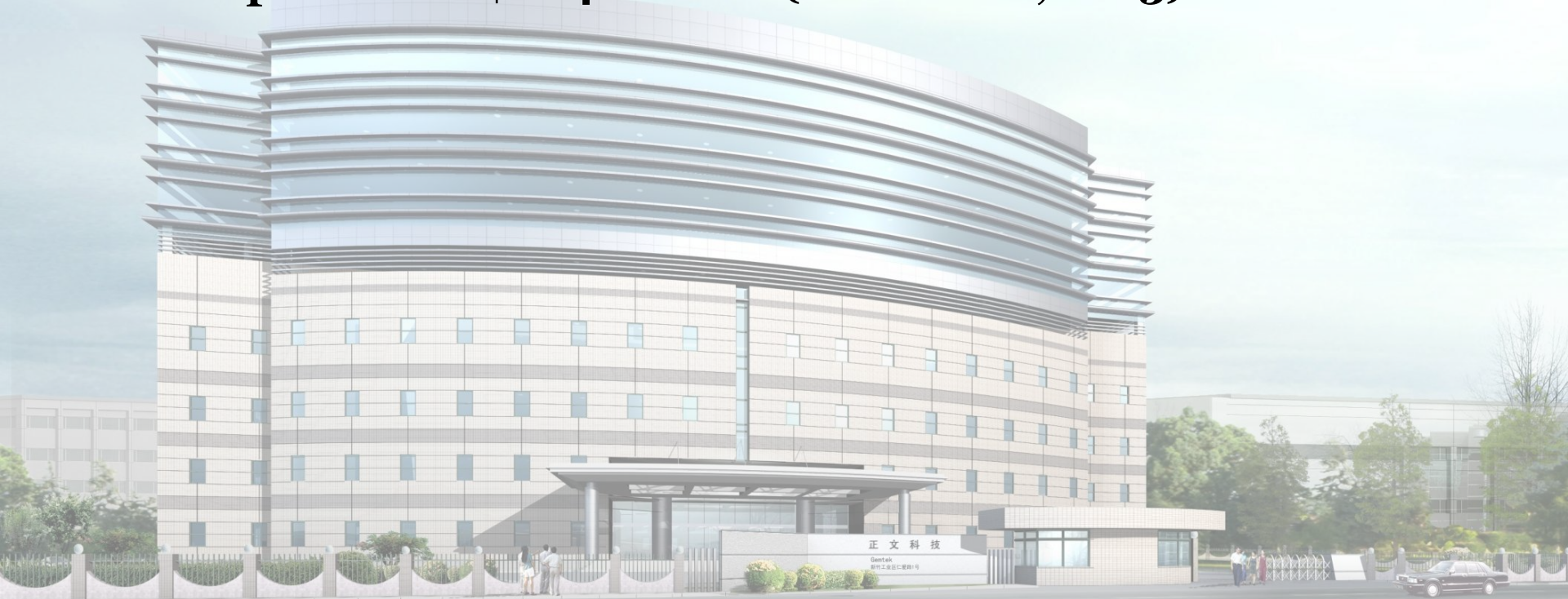
Company Facts

Corporate Facts

A Wireless Communication Company:
Headquartered in Hsinchu Industrial Park,
Total Employees $\approx$ 6,055 (TWN: 1155; China: 4900)

Capital: NT\$3.09 Billion (US\$104.85 Million)

Market Capital: $\approx$ US\$284 Million (November, 2013)



Global Operation Sites

Hsinchu Headquarter



Floor Space: 322,000 SQF
Land Area: 215,000 SQF



Chang Shu Plant



Plant Size : 441,600.SQF
Land Size : 1,635,520.SQF

Czech Republic



Plant Size: 102,000 SQF

Certified Sites:
ISO 9001
ISO 14001
OHSAS 18001
TL9000
C-TPAT

KuShan Plant



Plant Size: 330,000 SQF
Land Area: 150,000 SQF

2013 Financial Performance

2013 Financial Outcome

Units: NT\$ Thousands; Consolidated

	As of December 31, 2013
Sales Revenue (k) - Dec 31, 2013	19,929,320
Gross Profit (k)	2,322,556
Gross Margin (%)	12%
Operating Income (k)	174,211
Operating Margin (%)	1%
Net Profit After Tax (k)	455,685
EPS after tax	1.48

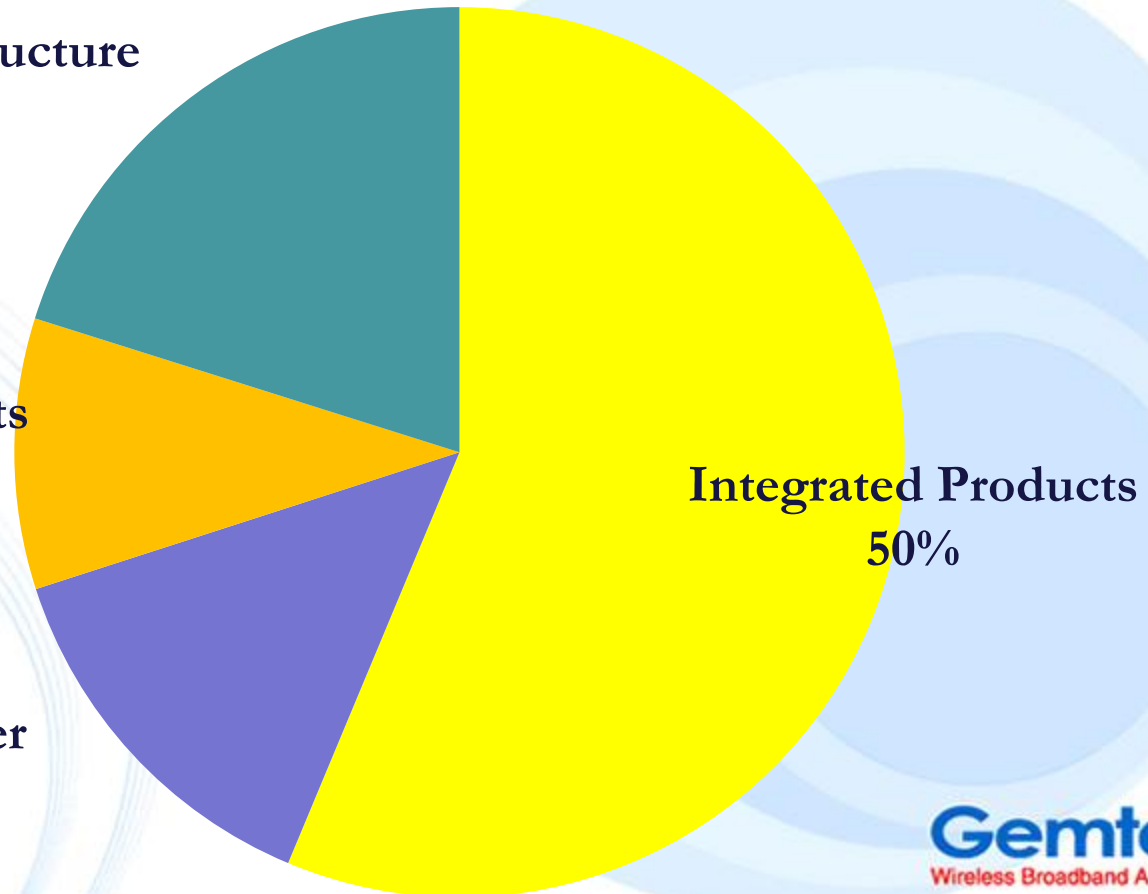
Revenue Breakdown

- Shipments of 2 product categories, **Integrated Products and Telecom Infrastructure** (telecom business), contribute more than **70%** of sales revenue.
- New market expansion for product shipments: LTE CPE, Home Automation, OTT

Telecom Infrastructure
23%

Wi-Fi Clients
8%

AP/ Router
20%



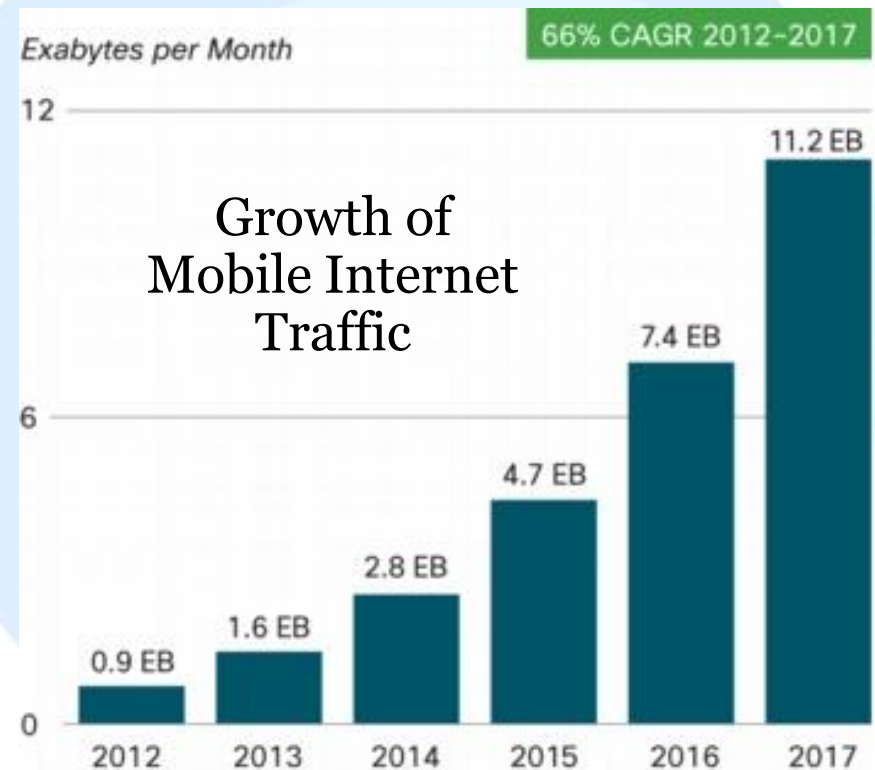
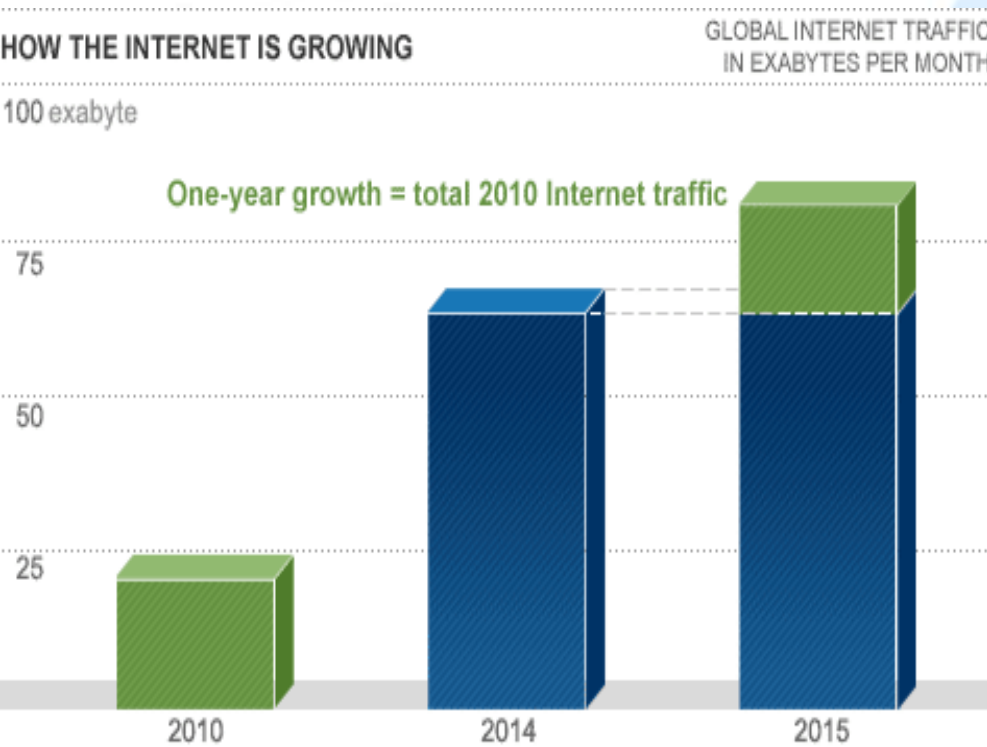
2013 Summary of All Sectors

- Adjusting product mix rather than emphasizing sales revenue increase:
 - Strategically decrease shipment of low end IPSTB (low gross margin and severe price competition). However, High end IPSTB will take up in 2014.
 - PC wifi modules are diminishing: standardized products do not help to improve profitability.
 - WiMax and 3G Femtocell are decreasing but 4G LTE is ramping up.
 - Exchange rate issue: Facing appreciation of NTD and RMB.

Market Development

Significant Internet Demand

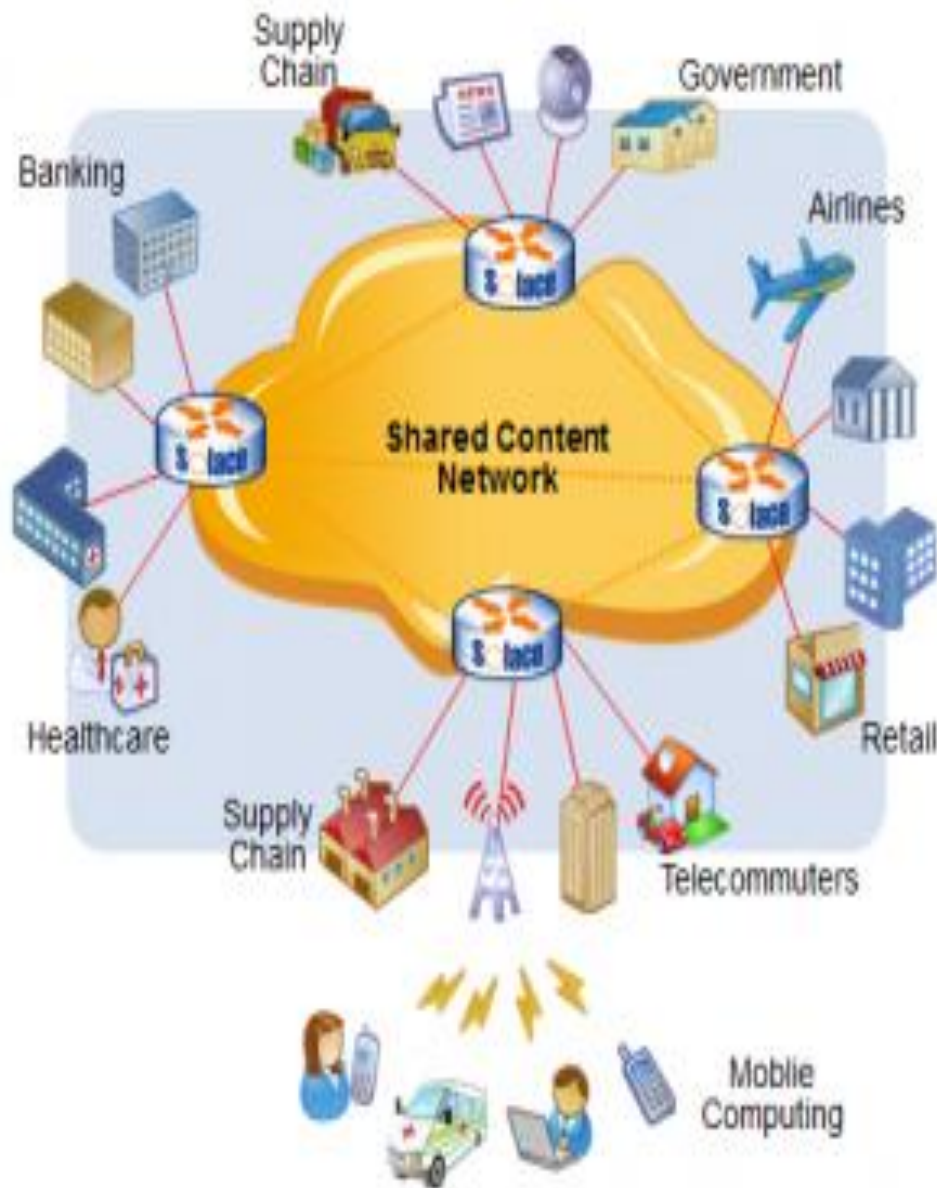
- World Bank: The proliferation of smartphones, netbooks and tablets suggests that there will be one mobile device for every individual alive in 2015.
- Cisco predicts there will be 7.1 billion mobile, connected devices four years from now, at which point there will be 7.2 billion people on Earth.



Source: Cisco VNI Mobile Forecast, 2013

Cloud

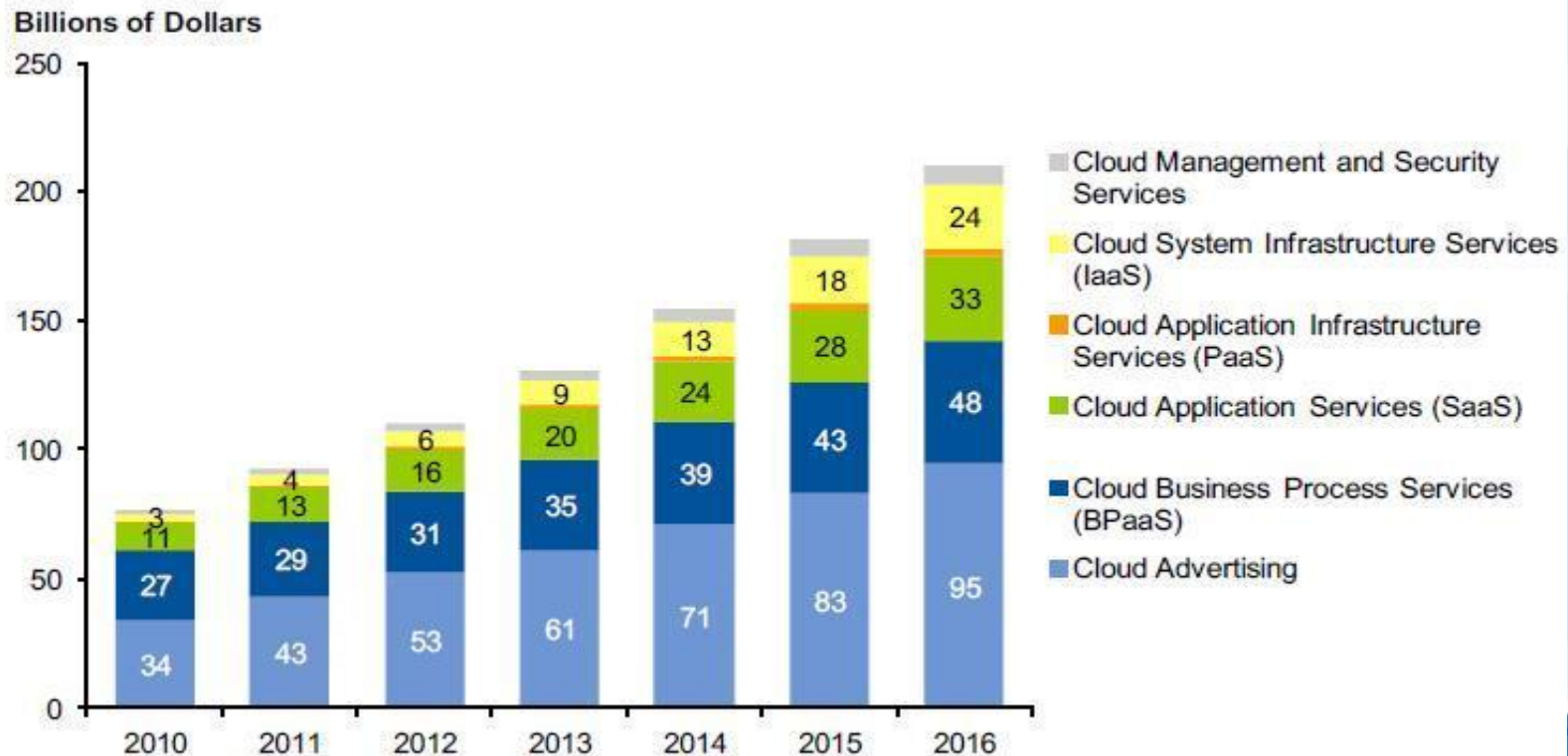
Cloud Applications



Cloud Infrastructure Growth

- **Gartner predicts that Infrastructure-as-a-Service (IaaS) will achieve a compound annual growth rate (CAGR) of 41.3% through 2016, the fastest growing area of public cloud computing the research firm tracks.**

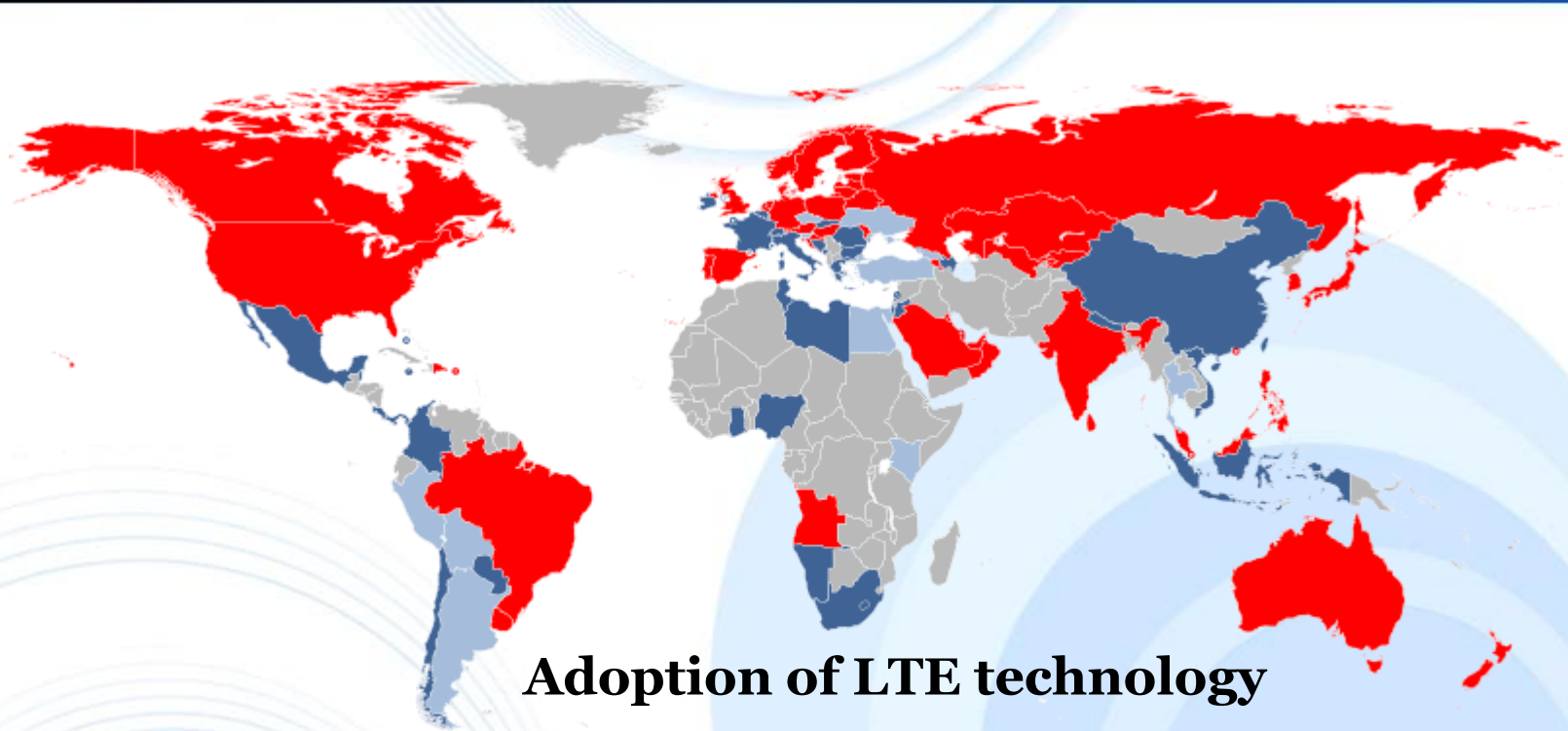
Public Cloud Services Market by Segment, 2010-2016



Source: Gartner (February 2013)



LTE



Adoption of LTE technology



Countries with commercial LTE service



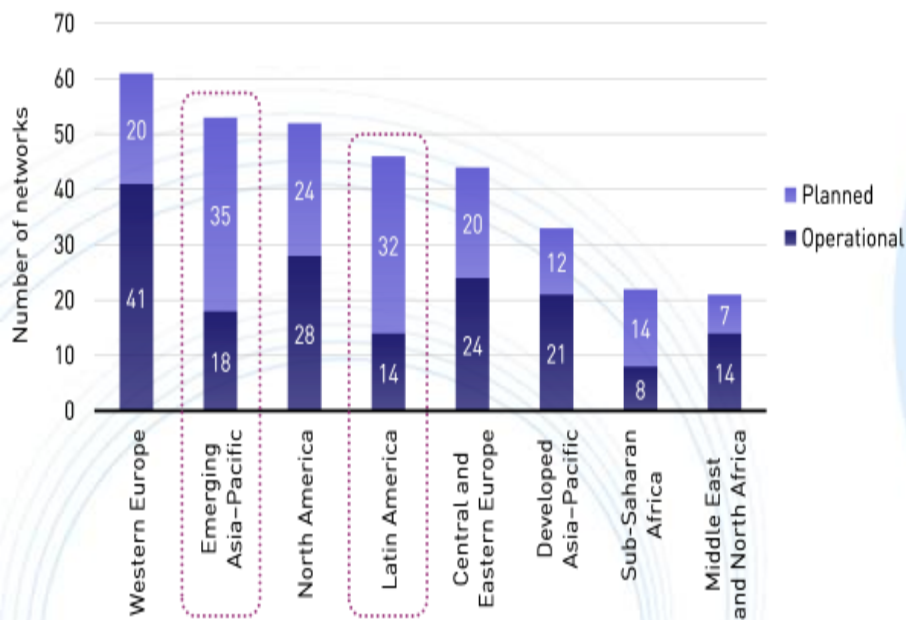
Countries with commercial LTE network deployment on-going or planned



Countries with LTE trial systems (pre-commitment)

LTE Global Deployment

- 172 commercial LTE networks today; 250 commercial LTE networks by the end of 2013.
- Over 450 total commitments to LTE deployment by wireless operators to date.



Top ten LTE markets by subscriber numbers, March 2013

Country	LTE Subscribers	LTE Penetration
USA	46,946,900	14.77%
Korea	19,604,000	40.26%
Japan	13,842,800	10.96%
Australia	2,049,700	8.87%
Canada	1,996,700	5.72%
Russia	1,309,500	0.92%
Sweden	860,000	9.03%
Germany	549,500	0.67%
UK	318,000	0.50%
Austria	234,700	2.78%

Source: WCIS Plus www.wcisplus.com

Top Ten operators by LTE subscriber numbers, March 2013

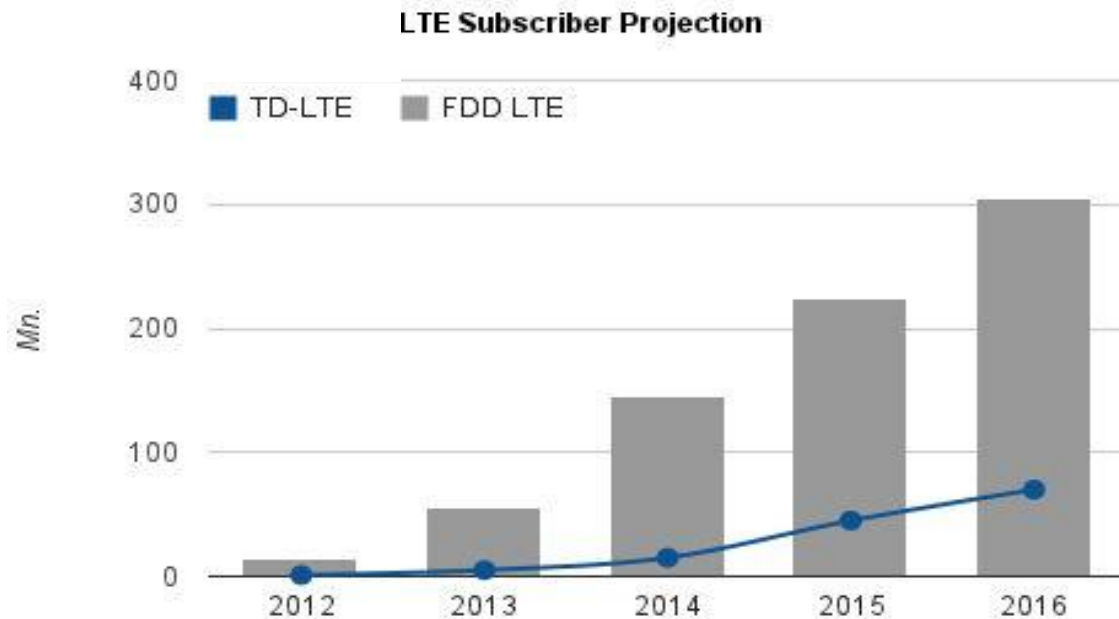
Country	Operator	LTE Subscribers
USA	Verizon	26,300,000
Japan	NTT DoCoMo	11,566,000
USA	AT&T	10,500,000
Korea	SK Telecom	9,334,000
USA	Sprint	6,600,000
Korea	LG U+	5,202,000
Korea	KT Corp	5,068,000
USA	Metro PCS	3,508,200
Australia	Telstra	2,047,300
Japan	Softbank	1,256,800

Source: WCIS Plus www.wcisplus.com

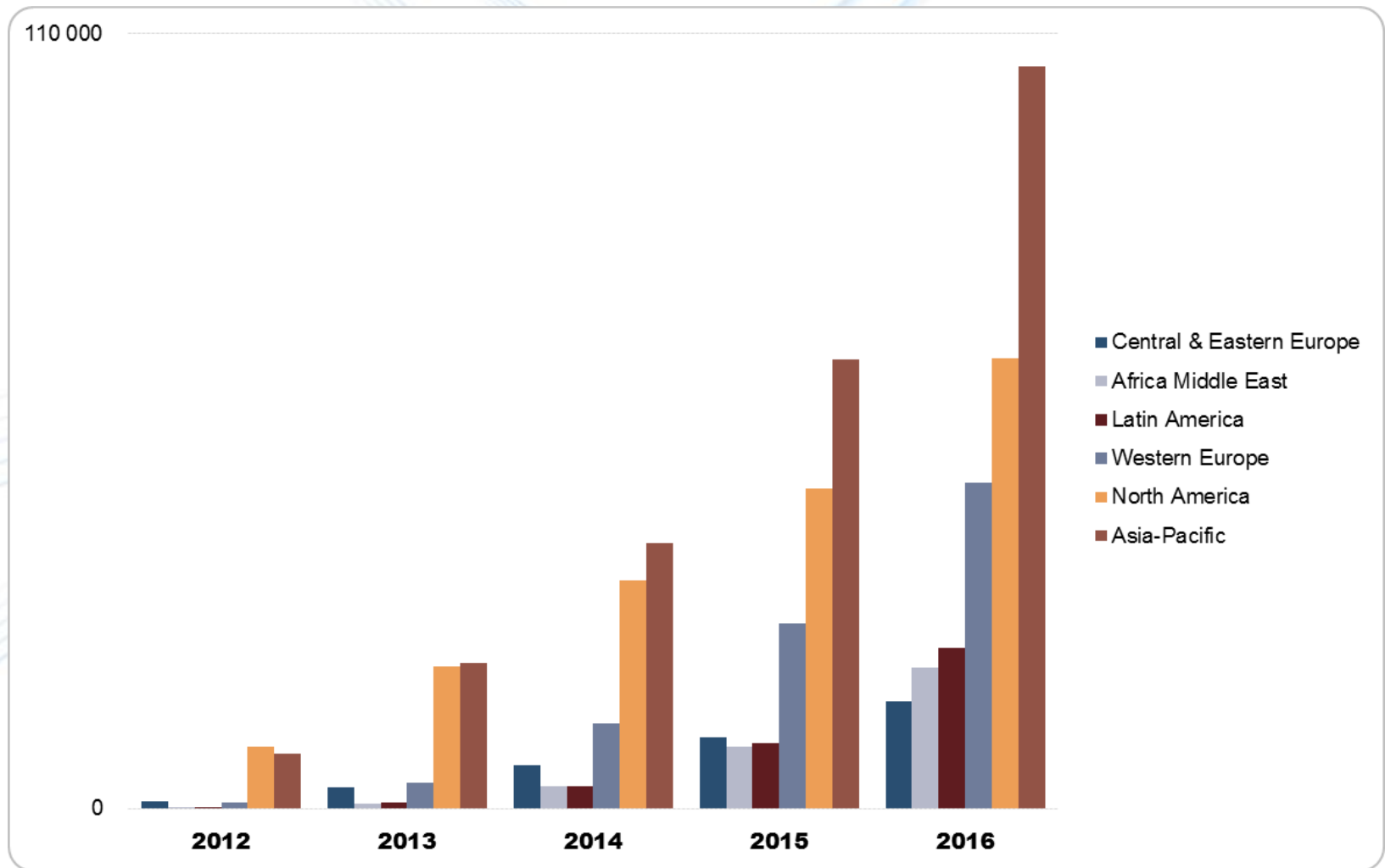
LTE Market Growth

Worldwide deployments stepping up: 916 million subscribers expected in 2017

- LTE devices support Mobile WiMAX in order to facilitate smooth transition for operators switching to **TD-LTE**.
- Asia-Pacific will increase its subscriber share from 26% in 2011 to 41% to reach **375 million LTE subscriptions in 2016**.
- The **LTE-Advanced** will represent 30-40% of the total LTE subscriber base at the end of 2017 and should reach a half-billion LTE-Advanced subscriptions worldwide.

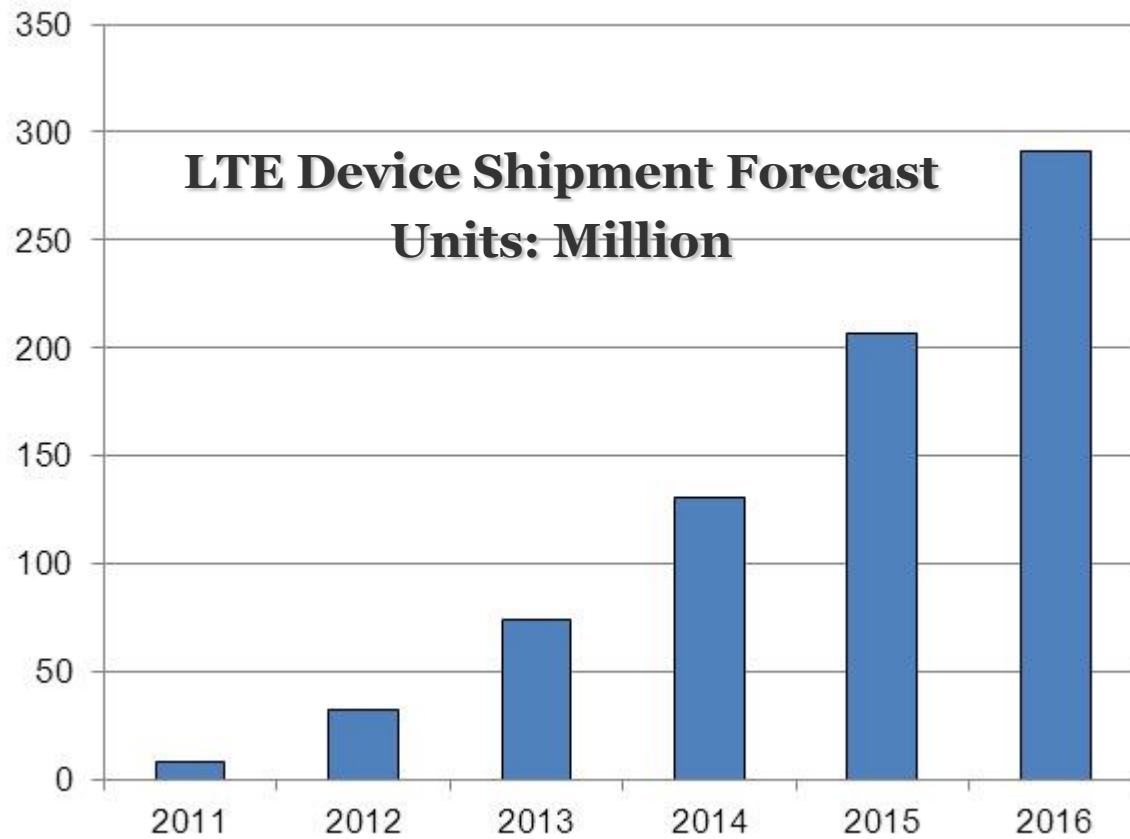


LTE Revenue Forecast



Source: Digiworld by IDATE, (by Region, in million EUR)

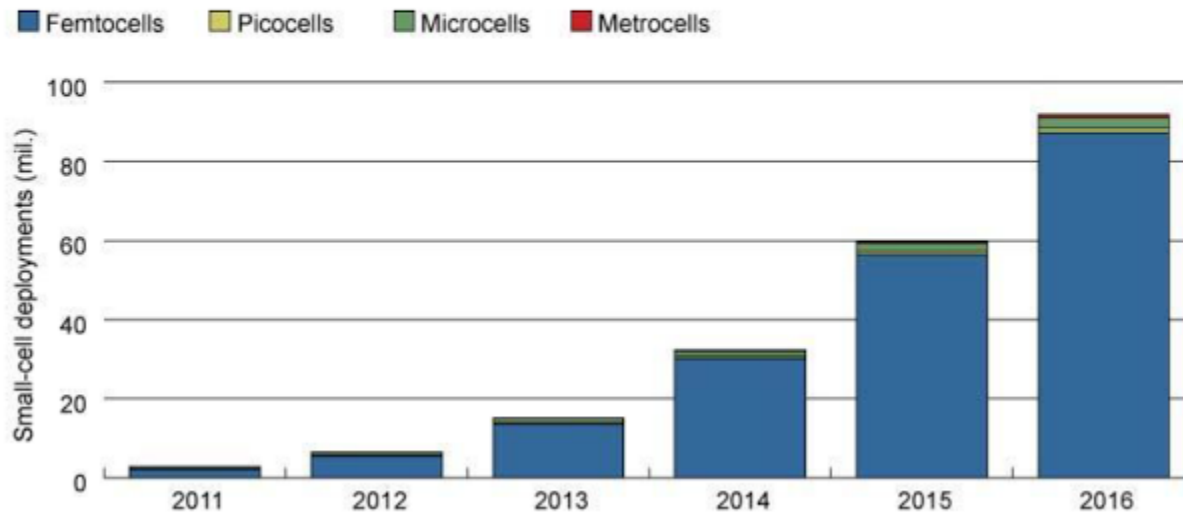
LTE CPEs Worldwide Units



Small Cell Market : LTE

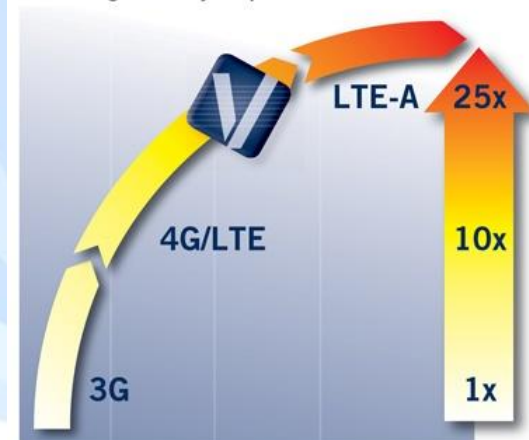
informa
telecoms & media

Fig. 1: Global, small-cell deployment forecasts, by category, 2011-2016



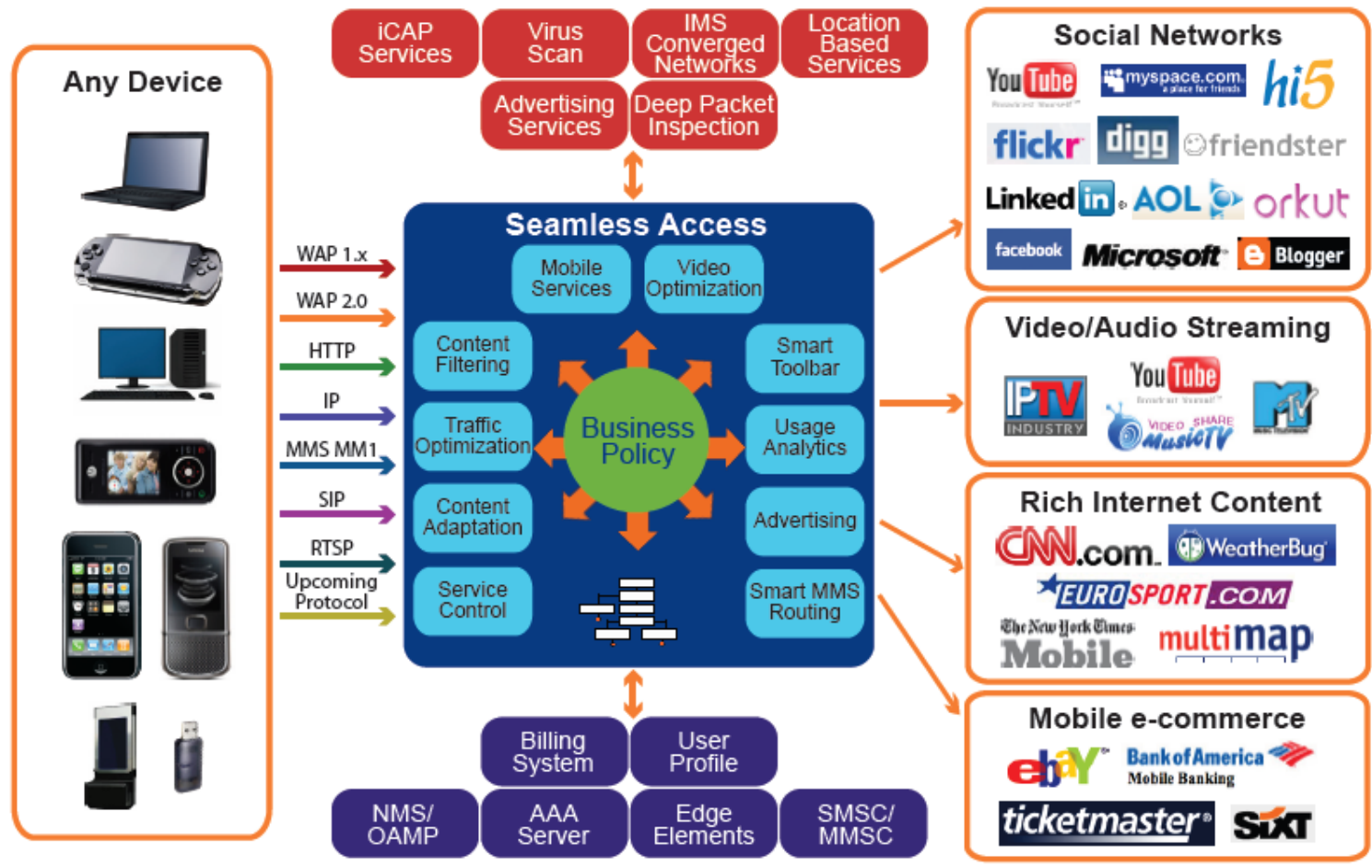
Via: Metrocells.blogspot.com

Timing Accuracy Requirements for 3G/4G



Moblle Internet & Fixed Terminal Device

Mobile Internet Device

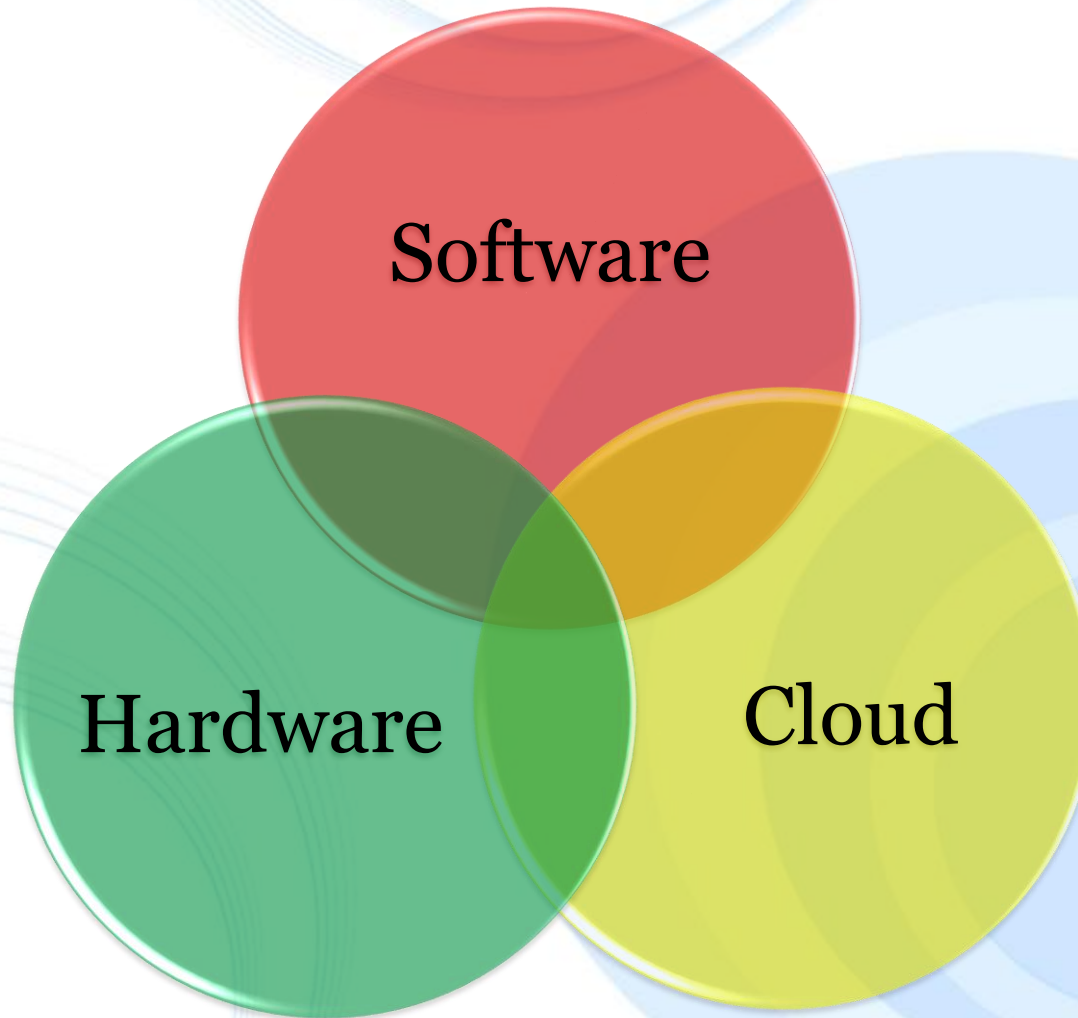


Fixed Terminal Device



Gemtek Business Model

Future Business Model



Future Business Model

1. OEM/ODM Business: Focus on hardware product design & manufacturing for Telco/ retail businesses



2. Cloud Service Business: System operation/solution and customised service integration for versatile MID/ fixed devices



OEM/ODM Business Model

Product Mix
Shift



Early-mover
Advantage



Telco
Strategy



Cloud Service Business Model

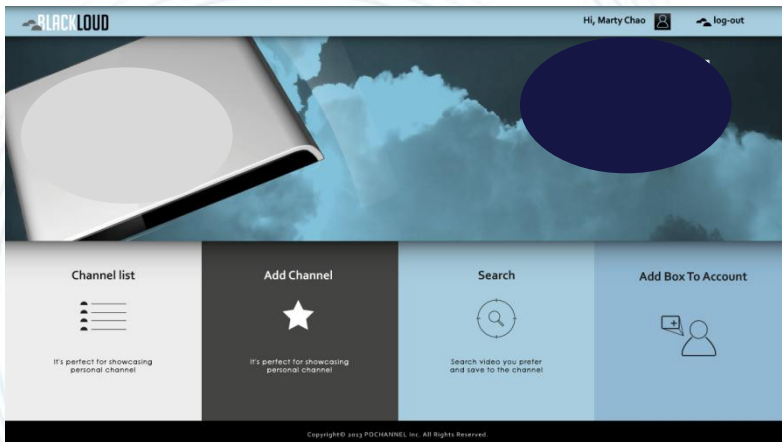
1. System solution



2. Run the operational services



3. Integrated devices for end users



FreePP, a Global Internet Telecom beyond Voice call.



FreePP APP

- Handwriting & Graffiti
- Free voice messages
- Free online phone calls
- Illustration and stickers
- Free multimedia message
- Group chats

TalkFree Box No more phone bills!

- Free connection between home phone and smart phone.
- Free connection anytime, anywhere.
- CD voice quality.
- No computer configuration.



Product Introduction

2014 Main Driver

Integrated Products

Telecom Infrastructure

High End AP/Router

Cloud Services

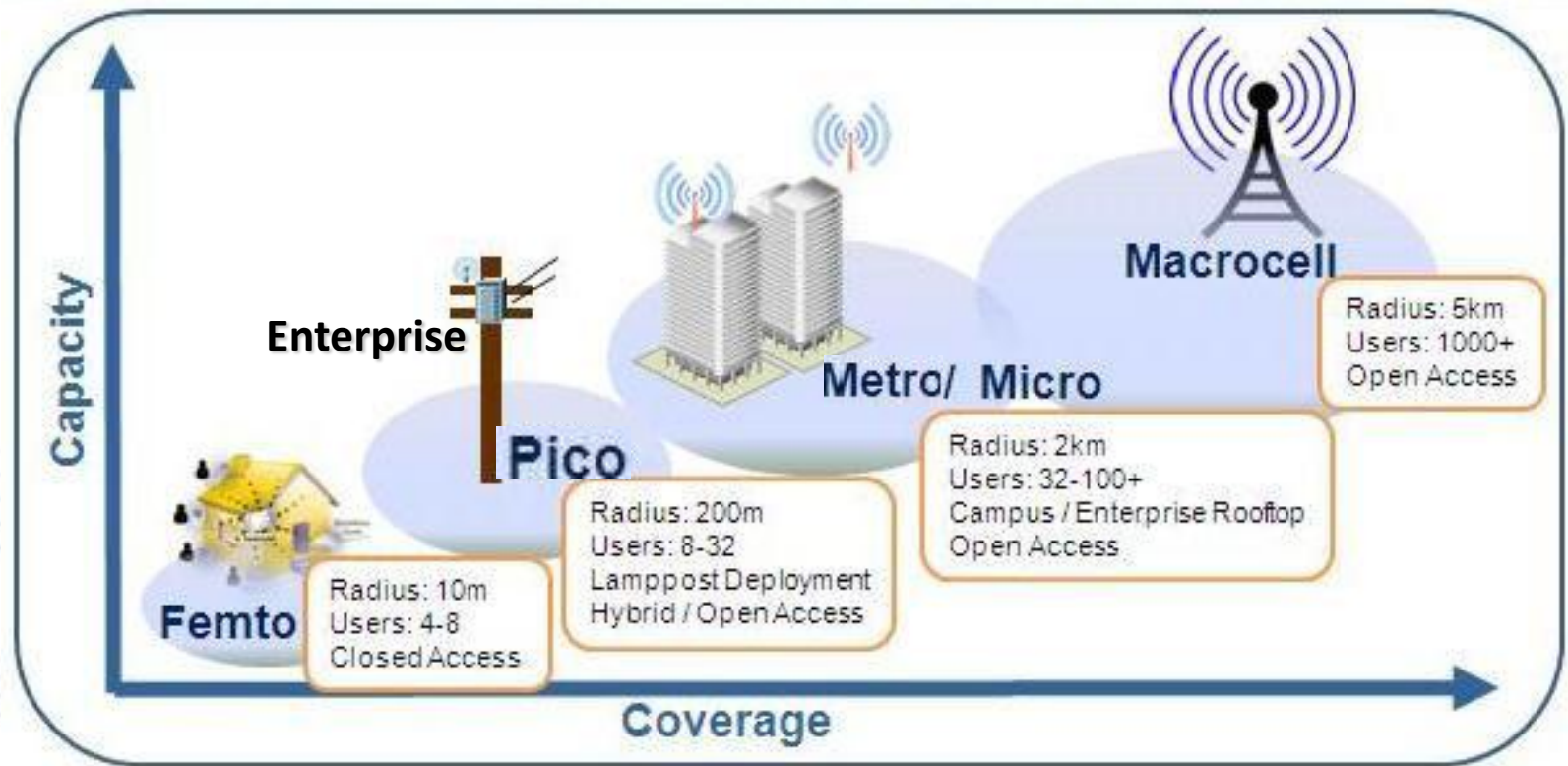
Gemtek LTE Product Line

	Design Target	Product Type	Picture
Indoor Fix BB / Voice	Fix Application / High Power / Multiple Options	Data/Data Voice / Data Voice Wi-Fi	
Mobile Broadband	Compact/ CM-Less / Fancy ID	USB Dongle USB Docking	
Module	Mini-PCIe/NGFF for multiple platform/ Embedded OS support	Embedded Module	
Convergence	3G/4G to Wi-Fi / Compact Size/ Low Power / Fancy ID	3G/4G to Wi-Fi	
Outdoor / M2M	3G/4G Module Option /Seam-less/ Low Power / Fancy ID	Outdoor Bridge / PoE Modem	
Combo Integration	Combine wireless WAN with multi-media devices	IP Cam + LTE LTE OTT ; voice LTE	

Confidential

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4G LTE Small Cell Categories



LTE Deployment

Spot the 1Gbps Small Cell?



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Gemtek LTE Small Cell Family

- LTE Single mode



- Residential Small Cell

- UMTs/LTE Multi- Mode



- Outdoor Small Cell

● (2014 Q2)

- LTE Single mode



- Enterprise Small Cell

● (2014 Q1)

Gemtek 4G LTE CPEs

- LTE product shipments will continue the growth from 2013 and, showing a further increase in 2014.
 - New shipment countries
 - New customers emerged
 - Product variety: a more complete product and solution offer



2014 Main Driver

Integrated Products

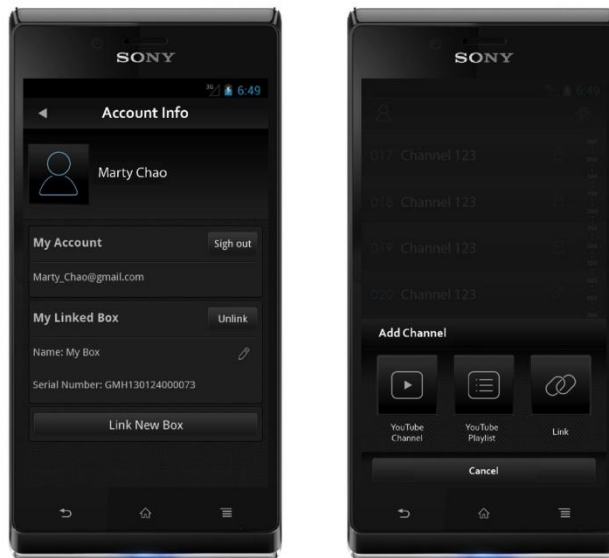
Telecom Infrastructure

High End AP/Router

Cloud Services

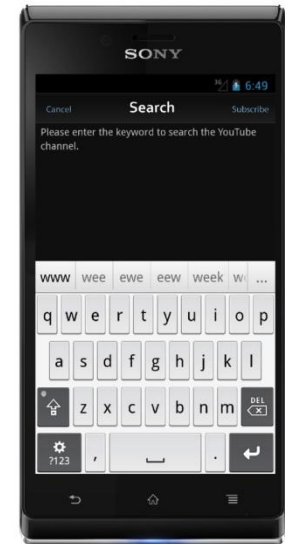
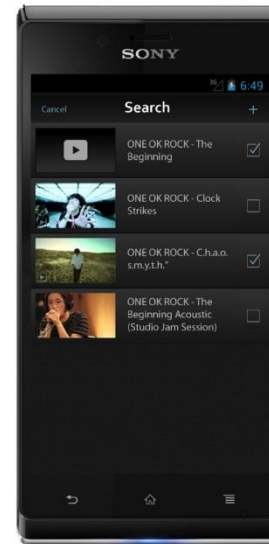
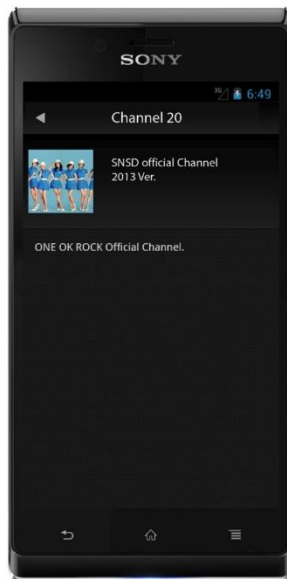
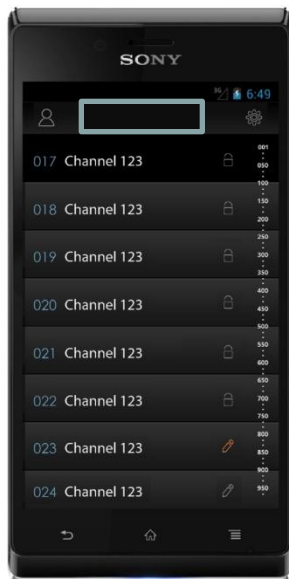
Internet TV/OTT Box

- Gemtek offer localised and personalised service content through mobile internet.
- Gemtek operates service content and create platform for clients.
- Gemteks aims on integrating mobile internet and fixed devices altogether through cloud.



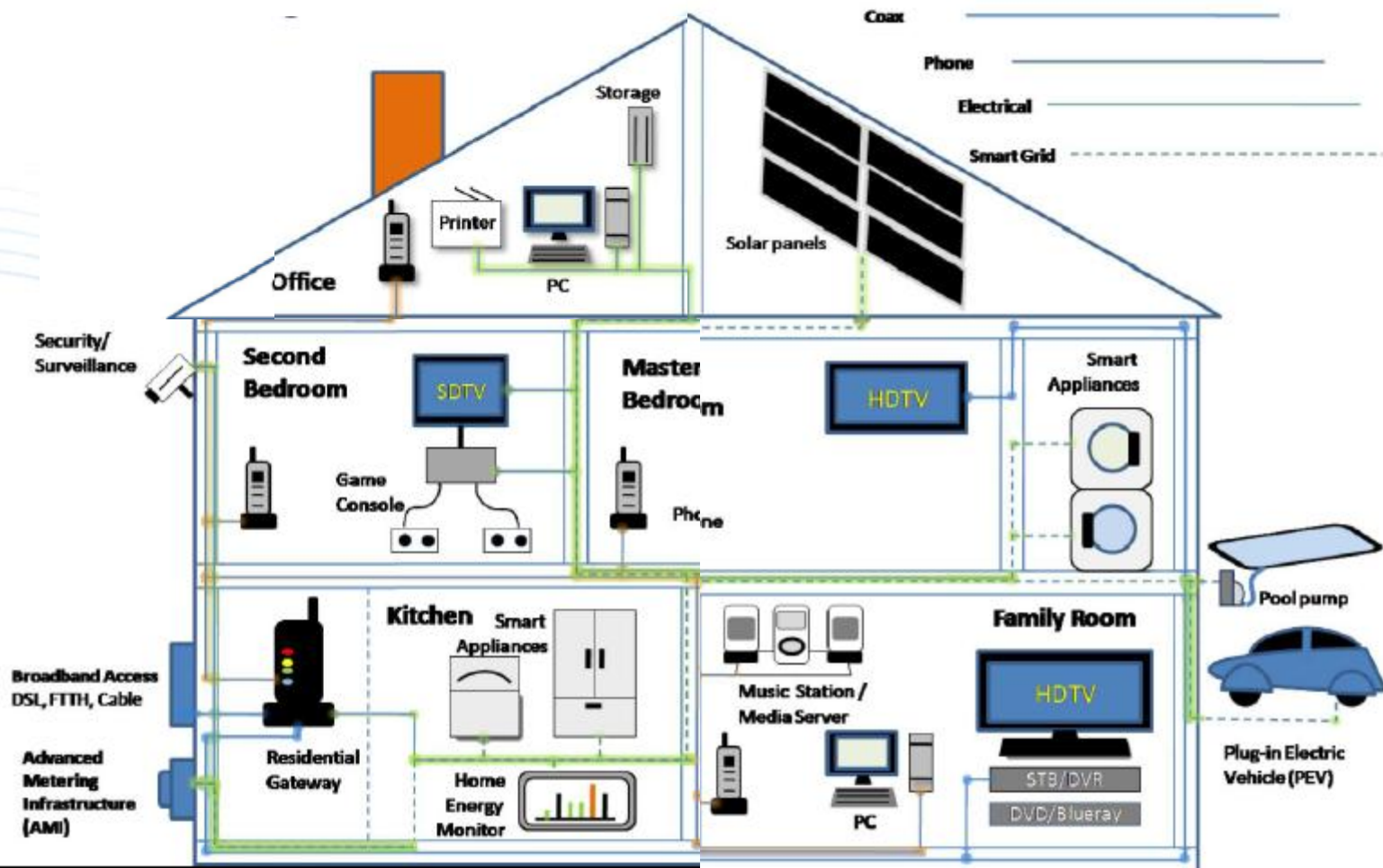
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OTT Platform- Enabling All Possibilities



Home Automation Products

- Features: Internet connection amongst sensors, home appliances and MID.
- The products of Home Automation enable users to use Smartphone to control home appliances through cloud.



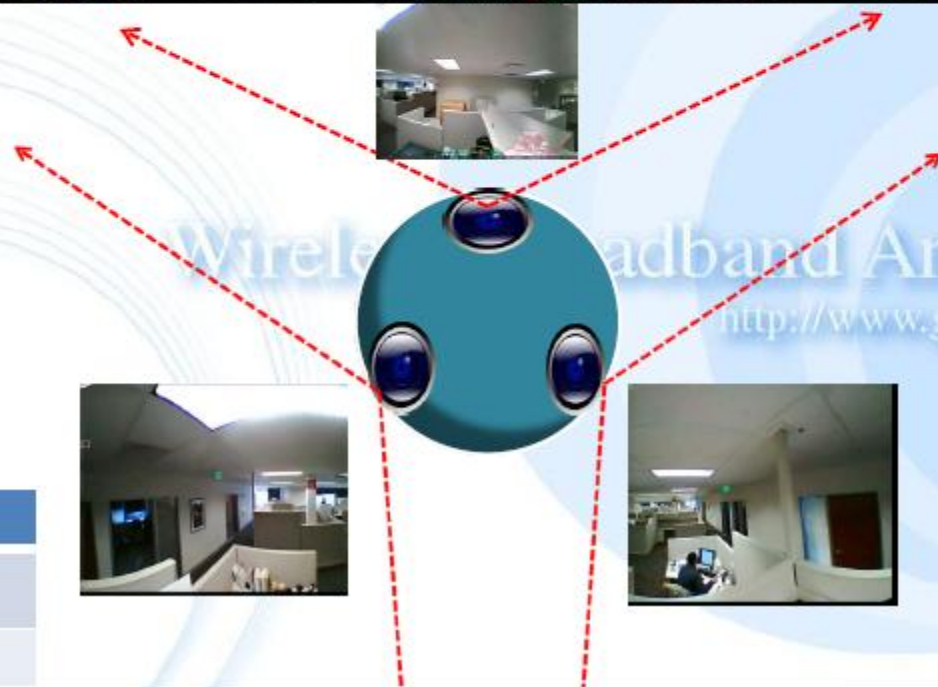
Home Automation: Smart Cam

Service content:

- Intercom
- FreePP built in
- Home Automation
- Door bell
- Baby Monitor
- Sports Cam
- Video conference
- Police Cam (LTE)



LTE 360 Cam Panoramic View



Lens	
Actual Horizontal View Angle	124° *3

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<http://www.gemtek.com.tw>

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HDMI Dongle Application



OTT Dongle with WiFi 11ac

- 11ac/ 11ad standards are not only be seen in AP, also modules for Notebook & home entertainment.
- Perform Under different scenarios:
 - Simultaneous streaming of HD video to multiple users
 - Rapid synchronisation and backup of large data files
 - Wireless display



Cover housing

Plastic
Glossy

System housing

Plastic
Texture





FreePP Camtalk



1 button 3 choices

Auto pick up

Ideal for checking on your pet or even reaching your grandparents.

Baby monitor

Keep a watchful eye over your little one.

Manual pick up

Clear and privacy respecting mode for friends and family.



**Download
FreePP APP**
For Free Video Call

Features

- ⦿ Plug & Play
- ⦿ 720P HD camera
- ⦿ Voice Message
- ⦿ Auto/Manual Pick up
- ⦿ Baby Monitor mode
- ⦿ Motion Detection
- ⦿ Photos/Video Recording (USB)
- ⦿ Customizable Ringtone
- ⦿ Live video feed to your smartphone
- ⦿ Automatic Upgrade



2014 Main Driver

Integrated Products

Telecom Infrastructure

High End AP/Router

Cloud Services

IPSTB

- The shipment of IPSTB is adjusted because of changes in market demand and the trend of product life cycle.
- Low end IPSTB shipments in turning into High end IPSTB as home entertainment is upgrading to a new form.



IAD & GPON Landscape

- New potential customers are emerged in IAD business.
- A very high speed broadband access for residential gateway, consists Ethernet switch, 11a+n/n/ac Wi-Fi access point, and VoIP in one box.
- GPON: Fiber to the “X” (FTTx) is a carrier’s best solution: Reliable Internet access & driving down the OPEX for carriers in a competitive industry.



2014 Main Driver

Integrated Products

Telecom Infrastructure

High End AP/Router

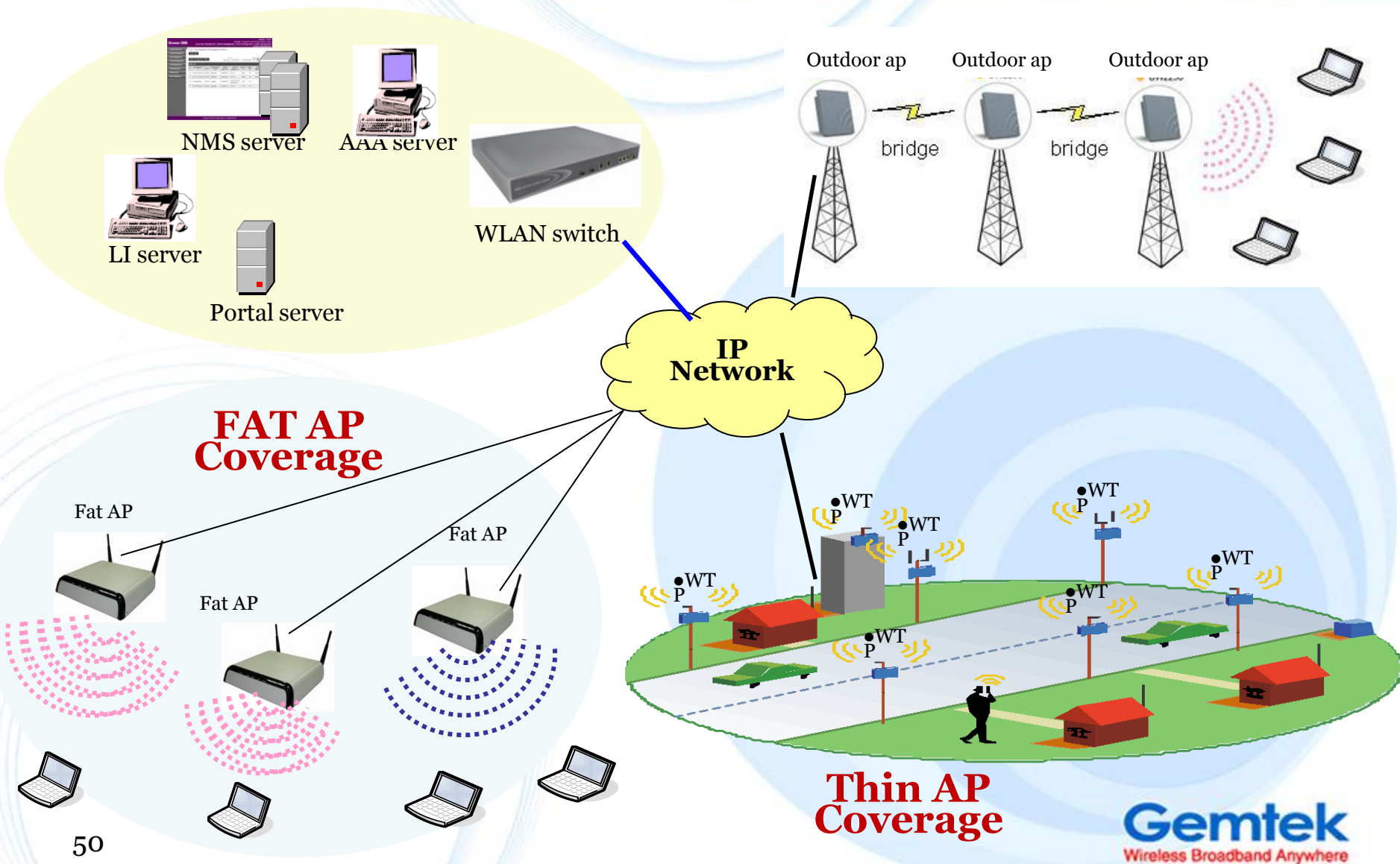
Cloud Services

High End Access Point

- 802.11ac brings upgrade in devices.
- Upgrades: Controllers, switches and Ethernet cabling
- High end AP= Enterprise AP will contribute revenue growth for the following year.



WiFi Hotspot



Thank You

